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Acquisition



**DEFENSE PRODUCTION ACT TITLE
I--DEFENSE PRIORITIES AND ALLOCATIONS
SYSTEM**

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This instruction implements AFD 63-6, *Industrial Base Program Planning*. It explains how to implement the Department of Commerce (DOC) Defense Priorities and Allocations Systems (DPAS) Regulation (15 CFR 700). It describes responsibilities for processing rated orders and for obtaining special priorities assistance (SPA). This instruction outlines specialized Air Force procedures as specified in Department of Defense (DoD) Instruction 4400. 1, *Priorities and Allocations Manual (PAM)*, November 16, 1971.

SUMMARY OF REVISIONS

This is the first publication of AFI 63-602, substantially revising AFM 78-4. It updates references and office symbols; consolidates the basic responsibilities within a single office; consolidates references and forms; and includes more details on Air Force, Title I Program Office, and DPAS officer responsibilities under the DPAS.

1. Responsibilities:

1.1. SAF/AQXM:

- 1.1.1. Administers the Air Force DPAS Program and establishes Air Force policies, procedures, and program support for implementing the DPAS.
- 1.1.2. Ensures that all elements within the Air Force comply with the DPAS and the PAM.
- 1.1.3. Delegates, in writing, DPAS authority through appropriate channels to operating DPAS officers in the subordinate elements.
- 1.1.4. Ensures that personnel implementing the DPAS master its provisions, as specified in the PAM.
- 1.1.5. Oversees requests for SPA across the air staff and to the Office of the Assistant

Secretary of Defense for Economic Security (OASD[ES]).

1.1.6. Assists in reporting and resolving DPAS violations and interagency conflicts.

1.1.7. Requests, Headquarters, Air Force Materiel Command, Manufacturing Quality and Industrial Base Division (HQ AFMC/ENM) to review the DoD Master Urgency List (MUL) to ensure that the programs are current and accurate and to develop a comprehensive and up-to-date list of all weapon systems and other recommended MUL items (see paragraph 1.2.4. and 1.5.12 for more details on how the Air Force reviews and updates the MUL).

1.1.8. Establishes and submits the recommended final Air Force position on proposed MUL additions and deletions to OASD (ES) for approval.

1.2. HQ AFMC/ENM:

1.2.1. Serves as the command focal point for DPAS activities and establishes command policies, procedures, and program support for implementing the DPAS.

1.2.2. Ensures that AFMC subordinate activities (e.g., functional organizations that process or oversee contracts or orders) appoints a DPAS officer and an alternate and send their names, telephone numbers (Defense Switched Network (DSN) and commercial), and mailing addresses to the Title I DPAS Program Office (WL/MTD), Bldg 653, 2977 P St, Ste 6, WPAFB OH 45433-7739.

1.2.3. Ensures that all elements of AFMC comply with the DPAS and the *PAM*.

1.2.4. Reviews the MUL to ensure that the programs are current and accurate.

1.2.4.1. As requested by SAF/AQXM, develops a complete new listing of all weapon systems or other items recommended to be added to or retained in the MUL.

1.2.4.2. Establishes and submits the recommended final consolidated Air Force position on proposed MUL additions and deletions to SAF/AQXM. For newly recommended systems, include the supporting justification as stated in DoD Instruction 4410. 3, *Policies and Procedures for the DoD Master Urgency List (MUL)*, September 2, 1987.

1.2.4.3. Identifies the recommended deletions, additions, and, where applicable, the proposed program sequence in order of importance.

1.2.4.4. Indicates recommended priority sequence for new Cue-Cap items (see **Attachment 1**) submitted at other times of the year.

1.3. HQ AFMC/PKM:

1.3.1. Ensures a process is in place so that AFMC contracts and orders meet the requirements of Federal Acquisition Regulation (FAR) 12.3 and Air Force FAR Supplement 5312.303(a). All ratable contracts and orders processed by functional organizations must include the requirements specified in paragraph 1.7.6.

1.4. Purchasing Activities Other Than Air Force Materiel Command (AFMC):

1.4.1. Ensure that contracts and orders include the requirements specified in paragraph 1.3.1.

1.4.2. Ensure that purchasing activity personnel receive necessary training to meet DPAS requirements.

1.4.3. Request for DPAS and SPA information and assistance from WL/MTD (see paragraph 1.2.2. for the address).

1.5. WL/MTD (Title I Program Office):

1.5.1. Is the office of primary responsibility for DPAS for all programs of the Air Force, including:

- Administering SPA.
- Educating contractors and Government personnel about the requirements, obligations, and benefits of DPAS.
- Conducting DPAS compliance reviews at contractors' facilities.

1.5.2. Reviews DPAS policies and procedures for all Air Force activities.

1.5.3. Diverts assets to fill emergency orders (see DD Form 598, **Instructions for Change in Destination of Shipment**, paragraph 3e, and paragraph 4.3.3).

1.5.4. Process all SPA requests from Air Force activities and contractors that the subordinate activities can't fill (see Form BXA-999, **Request for Special Priorities Assistance**).

1.5.5. Recommends the purchase of Bills of Materials for Air Force programs according to Air Force FAR Sup 5312.302, if necessary.

1.5.6. Trains personnel at field activities and contractor locations to run the DPAS.

1.5.7. Helps all Air Force activities comply with the DPAS and the PAM.

1.5.8. Support DoD DPAS council activities.

1.5.9. Reviews the MUL and:

- Ensures that the recommended changes meet the provisions of DoD Instruction 4410.3.
- Ensures that the listed programs are current and accurate.
- Develops a comprehensive and up-to-date list of all weapon systems and other MUL items.
- Includes the supporting justification for newly recommended systems as stated in DoD Instruction 4410.3.
- Uses the WL/MTD submission to HQ AFMC/ENM to identify the recommended deletions, additions, and where applicable, the proposed program sequence in order of importance.
- Indicates the recommended priority sequence for new Cue-Cap items submitted for approval at other times of the year.
- Submits changes to the MUL to HQ AFMC/ENM, 4375 Chidlaw Rd, Ste 6, Wright-Patterson AFB OH 45433-5006.

1.6. AFMC Centers:

1.6.1. Appoint a DPAS officer and an alternate and send their names, addresses, and DSN and commercial phone numbers to WL/MTD.

1.6.2. Help review the MUL to ensure that its programs are current and accurate.

1.7. AFMC Center DPAS Officer:

- 1.7.1. Serves as the field activity focal point for all material priorities and program allocations.
- 1.7.2. Maintains an effective DPAS program at the field level.
- 1.7.3. Responds knowledgeably to any operational or administrative questions about DPAS.
- 1.7.4. Provides educational materials to:
 - EN.
 - PK.
 - LG.
 - XP.
 - XR.
 - Other functional organizations when appropriate.
- 1.7.5. Schedules training for appropriate center personnel in coordination with WL/MTD.
- 1.7.6. Ensures that all ratable contracts and orders:
 - Direct the supplier to follow DPAS provisions and all other applicable regulations specified by the DOC and FAR Sections 12.3 and 52.212-7.
 - Contain a required delivery date.
 - State that the order has been certified for national defense under the DPAS Regulation, Section 700.12(d) and FAR Section 52.212-8.
 - Contain the appropriate rating symbol and program identification symbol (DO-AI, DX-A2, and so on).
- 1.7.7. Keeps a record of SPA cases initiated by the center's personnel, the actions taken, and the resolution of each case, numbering the cases by calendar year (93-001, 93-002, and so on).
- 1.7.8. Ensures that the contractor makes every reasonable effort to resolve shortages or delays.
- 1.7.9. Processes requests for SPA filed by Air Force activities and contractors. If you can't obtain sufficient SPA and the urgency remains, document the measures you've taken and send the request to WL/MTD for further action.
 - 1.7.9.1. Assists in preparing and reviewing any Form BXA-999 that's generated by their center.
 - 1.7.9.2. Ensures that applicants explore all ways to resolve contracting or production problems (for example, offering premium handling, soliciting other possible suppliers, checking defense inventories, and so on).
 - 1.7.9.3. Contacts the applicant to determine the minimum quantity needed to fill an order.
- 1.7.10. Attempts to resolve the critical shortage by:
 - Contacting the problem supplier to verify the situation and to emphasize the urgency of the program.
 - Ensuring that the contractor's purchase order has the appropriate rating and asking the contractor to request a formal rating amendment to the order if necessary.

- Exploring defense inventories and alternate suppliers to find sufficient materials or components to satisfy the contractor's requirement.
- Ensuring that Form BXA-999 contains only the minimum quantities required and latest required delivery date needed to support the contractor's delivery to the customer.
- Sends all urgent Form BXA-999 applications that remain unresolved to WL/MTD, Bldg 653, 2977 P St, Ste 6, WPAFB OH 45433-7739. Be sure to include:
- All pertinent information obtained during investigation of the request in Form BXA-999, or in a letter of transmittal accompanying the form.
- The latest feasible delivery date, explaining why meeting that date is vital. Telex extremely urgent requests to Title I (DSN 785-1268) by using the Request for Quick Reaction Priorities.
- Provides assistance to Title I in resolving Form BXA-999 cases.

1.7.11. Returns all invalid Form BXA-999 applications or those that can be resolved by other means to the submitting office with a letter of explanation.

1.7.12. Reviews all DD Forms 691, **DoD Application for Priority Rating for Production or Construction Equipment**, and:

- Approves (fully or partially) or denies the request as specified on the form, based on factual knowledge of the contractor and an assessment of the contractor's formal statements.
- Sends the original and two copies of the form to the principal contracting officers (PCO) overseeing the contract to get final approval or denial.

1.7.12.1. The contractor may use the rating authorization on receiving the approved copy of the DD Form 691.

1.7.12.2. In cases involving several defense contracts, send the forms to the PCO with the largest total cost contract.

2. DPAS Priority Ratings:

2.1. The DPAS requires contractors to accept or reject a rated order and pass on the defense priority ratings to their subcontractors. To meet production and delivery requirements, suppliers must give precedence to rated orders over lower-rated, nonrated, or commercial orders they've previously or subsequently taken.

2.2. Priorities and allocations (P&A) authority extends only to contracts placed in any state, territory of the United States, and the District of Columbia. See DPAS Regulation Section 700.18 for general and jurisdictional limitations on priority ratings.

2.2.1. By special agreement, US defense program contracts with Canadian producers contain the rating and program identification. Use the regular procedures outlined in DPAS Regulation, Section 700.55, to obtain special assistance on Canadian suppliers.

2.3. AFMC is the principal Air Force acquisition command. WL/MTD oversees and manages the Air Force DPAS Program.

2.4. All Air Force contracting activities and all contractors receiving rated orders use the priority rating to obtain products or services in the United States or its territories that they need to fulfill an authorized defense contract or to fill a rated defense order.

2.5. Any prime contractor, subcontractor, or supplier who doesn't have the production equipment to fill a rated defense order files DD Form 691 (paragraph 3d), requesting authority to use a rating to obtain the equipment from a US supplier.

2.5.1. The DPAS officers in each continental United States (CONUS) Air Force contracting activity advise PCO or administrative contracting officers to instruct contractors on how and where to file DD Forms 691.

3. Special Priorities Assistance in CONUS:

3.1. All Air Force contracting activities, prime contractors, subcontractors, or vendors unable to find a supplier for, or obtain timely delivery of, materials, components, or assemblies needed for an authorized defense program or a defense rated order request assistance using Form BXA-999.

3.2. If you can't obtain materials or components to fill a program order on schedule through established contracting methods, present a rated contract or order to one or more selected suppliers or manufacturers qualified to produce the item (FAR 12.3). This mandatory acceptance order must contain:

- The rating.
- The required delivery date.
- Any statements and certification specified in 15 CFR 700.12.
- A cover letter stating that the mandatory requirements of the Defense Production Act and DPAS Regulation apply and requesting that the supplier furnish in writing any reasons for rejecting the order.

3.3. If the order is rejected, prepare Form BXA-999 and attach a copy of the letter of refusal and send it through the normal administrative channels to WL/MTD unless an intermediate level succeeds in finding a supplier.

4. Special Priorities Assistance (Overseas):

4.1. DoD policy states that contractors undertaking defense projects for friendly foreign countries under the Arms Export Control Act and the International Security Assistance Act of 1977 may receive SPA at the same rate as contractors working on US military projects. Send individual requests to OASD (ES).

4.2. OASD (ES) and the DOC approves DPAS support for overseas contractors on a negotiated, program-by-program basis. Each program receives specific guidance when it's approved.

5. Forms Prescribed:

5.1. Form BXA-999 (formerly Form ITA-999), Request for Special Priorities Assistance.

Defense agencies and contractors use this form to request assistance in obtaining a supplier for rated defense projects, or a timely delivery of materials, components, or assemblies needed to fill authorized defense orders. (See **Attachment 2** for preparation instructions.)

5.2. DD Form 691, DoD Application for Priority Rating for Production or Construction Equipment. Contractors or subcontractors who can't fill a rated order because they lack the proper production equipment use this form to request a priority rating to obtain the equipment. (DD Form 691 may authorize DO or DX rating, depending on the rating of affected contracts in the applicant's facility.)

5.3. DD Form 598, Instructions for Change in Destination of Shipments. Contractors use this form to divert the shipment of the materials from the original customer to the Air Force to fill emergency orders. All Air Force programs currently have the authority to approve a diversion as specially delegated by DOC through DoD to WL/MTD.

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Air Force for Acquisition

Attachment 1

GLOSSARY OF REFERENCES, ABBREVIATIONS, AND ACRONYMS

References

DoD Instruction 4401.1. The Air Force carries out the P&A provisions of the Defense Production Act by following the unclassified instructions, policies, and procedures officially distributed through DoD Instruction 4400.1.

DoD Instruction 4410.3. Is related to this instruction and contains, as an attachment, the official (classified) DoD Master Urgency List of the most urgent programs, projects, and items broken into two major categories:

- The "**Brick Bat**" category lists the programs the President considers to be of highest national urgency among those that have been approved to carry a "DX" industrial priority rating. All programs in the Brick Bat category have equal preferential status and take priority over any "DO" rated or nonrated programs.
- The "**Cue-Cap**" category lists those "DO" rated programs the Secretary of Defense considers most urgent to DoD. Not all "DO" rated programs are listed in the MUL. All "DO" rated orders take precedence over nonrated orders when allocation of limited resources becomes necessary. Cue-Cap ("DO" rated) programs identified in the MUL take precedence over non-MUL listed ("DO" rated) programs.

DPAS Regulation, Subpart C, Section 700.8. The definitions specified in this DPAS Regulation apply to this instruction.

Abbreviations and Acronyms

DOC—Department of Commerce

DPAS—Defense Priorities and Allocations System

DSN—Defense Switched Network

EN—Engineering and Technical Management

HQ AFMC/ENM—Headquarters, Air Force Materiel Command, Manufacturing Quality and Industrial Base Division.

LG—Logistics

MUL—DoD Master Urgency List

OASD(ES)—Office of the Assistant Secretary of Defense (Economic Security)

PAM—Priorities and Allocations Manual

PK—Contracting

OPR—Office Primary Responsibility

SAF/AQXM—Office of the Assistant Secretary of the Air Force(Acquisition), Manufacturing and Quality Division

SPA—Special Priorities Assistance

WL/MTD—Title I DPAS Program Office

XP—Plans and Programs

XR—Requirements

Attachment 2

FILLING OUT FORM BXA-999 ENTRIES (FORMERLY FORM ITA-999)

A2.1. General Information. Air Force field activities obtain Form BXA-999 through normal supply channels. For each form, restrict entries to:

A2.1.1. One applicant.

A2.1.2. One supplier.

A2.1.3. One type of material, component, assembly, or subassembly.

A2.2. One purchase-order line item. *EXCEPTION:* When you include two or more line items that conform to **A2.1.1.** through A2.1. 3 on one request, enter "See Attachment" on Blocks 2 and 5 if necessary. Include the requested and promised dates for each item on the attachments for Block 2 and 5. Label the schedule for each item with the appropriate item identification.

A2.3. Do not include classified information on Form BXA-999. If you're asked for classified information enter "classified" and provide the information or requested data on a separate sheet of paper attached to the Form BXA-999. Be sure you handle and transmit all classified information properly.

A2.4. Be sure to submit a copy of both the contract face page and the contract delivery page with Form BXA-999. Encourage contractors submitting Form BXA-999 to include a copy of the purchase order to the problem supplier.

A2.5. Required Entries: Block 1a -- Enter the name and address of the activity requesting SPA.

Block 1b -- If applicant is not the end-user, enter the applicant's customer (i.e., procuring Government agency, prime contractor). If the prime contractor experiences delays, you may enter DoD CAS or the purchasing activity. Include the telephone number, name of contact, and Include the prime contract number if known. This information is vital to quickly determine urgency and various expediting alternatives.

Block 2 -- Indicate the product being produced or service to be performed by the applicant.

Block 3 -- Be sure that the "Quantity" amount corresponds to the "number of units" identified in Block 5. Respond in as much detail as possible to assist in the search for alternate sources and materials. Complete all sections.

Block 4a -- Enter the supplier with whom the applicant is experiencing delay. Give the name of the highest official in the company who is directly involved with the applicant, including title, telephone and FAX numbers, if known.

Block 4b -- Enter applicant's purchase order number to supplier, date issued and priority rating.

Block 4c -- If supplier is an agent or distributor, complete Blocks 4c and 4d.

Block 5a -- Be sure that all rated orders contain a required delivery date or schedule and number of units/items required. Specify the delivery date and quantity currently required by applicant.

Block 5b -- Indicate the quantity of units/items and delivery schedule currently promised by the supplier. If this differs significantly from the quantity and schedule provided in the original contract/purchase order, provide the original schedule and quantity in the Continuation Block.

Block 6 -- State the reasons given by the supplier explaining why the required delivery (Block 5a) cannot be met. Attach any pertinent written correspondence to the form.

Block 7 -- Explain the effect delay in receipt of item(s) in Block 3 will have on delivery of item(s) in Block 2 (production stoppage, shipment delay, etc.). Describe in-house efforts and steps you have taken with the supplier to resolve the critical item shortage.

Block 8 -- The DPAS officer of the DOD activity or authorized representative of a private company filing the Form BXA-999 completes and signs the certification required in this block.

Block 9 -- Sponsoring US Government Agency -- Agency which issued a contract or order for which applicant's material is needed. Complete sponsor activity information.

- a. Self-explanatory.
- b. Self-explanatory.
- c. Self-explanatory.
- d. Describe any other factors that may justify special assistance. Indicate realistically the likely consequences if you can't obtain the priorities assistance you're requesting.
- e. Show how you're coordinating with the applicant. Include a description of what the sponsoring DPAS officer has done to resolve the problem, verify the facts, and recommend actions for higher headquarters to take. Describe the actions you've taken with other major commands or other services to resolve the shortage.
- f. Self-explanatory.

Attachment 3

DPAS AUTHORITY

A3.1. Title I - P&A, Section 101 (a) of the Defense Production Act (DPA) of 1950, as revised and amended, authorizes the President to:

A3.1.1. Require that contracts or orders relating to certain approved defense or energy programs take precedence over all other contracts and orders.

A3.1.2. Allocate materials and facilities to promote approved programs for the national defense.

A3.2. By Executive Order (EO), the Federal Emergency Management Agency (FEMA):

- Oversees all departments and agencies that implement the P&A authority.
- Coordinates production, distribution, priorities, and allocation programs essential to meeting national defense needs.

A3.3. The Office of Industrial Resource Administration, United States DOC, implements rules, regulations, orders, and directives to enforce industry compliance with the DPAS Regulation.

A3.4. The EO also delegates to the DoD the responsibility for certifying which national defense programs (military production and construction, military assistance to any foreign nation, stockpiling, and directly related activities) P&A Authority may support.

A3.5. Federal Acquisition Regulation 12.3 and Air Force FAR Supplement 5312.303(a) require all DoD departments to comply with the rules and regulations in DOC regulations, orders, and directives as well as the DoD Priorities and Allocations Manual established by DoD Instruction 4400.1, and implemented by AFPD 63-6.